

### III. STORE AND FORWARD MONITORING PROGRAM

Commission D.90-06-018, by Ordering Paragraphs 1, 2, and 3 direct Pacific Bell and the workshop to develop a monitoring plan for S&F COPTs in Pacific Bell's serving area. Pacific Bell also was directed to prepare a report based on the monitoring criteria developed in the Workshop and to submit the report to CACD one year from the date that the plan is established.

The Store and Forward Monitoring Plan developed by the workshop included three elements:

1. Store and Forward sets were included in the COPT Enforcement Program, as described in Section I.2. of this report.
2. Store and Forward originated calls were included in the Scanning and Rejection program, as described in Section I.4. of this report.
3. Store and Forward set counts were included in the LEC Commission threshold formula as addressed in the Memorandum of Understanding associated with D. 90-06-018.

Inclusion of the Store and Forward sets in the COPT Enforcement Program ensured that both the initial universe of Store and Forward sets, by sample, and the ongoing universe of Store and Forward sets meet the Consumer Safeguards set forth in D.90-06-018. Inclusion of the Store and Forward sets in the Scanning and Rejection program ensures that calls have been rated properly, with no excessive overcharging. Inclusion of the Store and Forward set counts in the LEC Commission threshold formula ensures that the sets are properly accounted for in the intraLATA competitive environment.

**APPENDIX A**

December 15, 1992

TO: 10XXX Unblocking Subcommittee Team Members

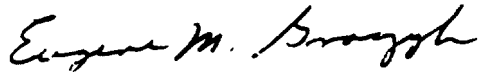
Dear Team Member:

Attached for your records is the final Subcommittee workshop report. There were no substantive changes to the last circulated draft of the report although two minor changes were suggested and adopted. These are:

- Minor changes to wording in Attachment A to clarify the action taken in testing the response on calls placed to 00- and on incoming collect calls. A call placed to 00- should verify that the OSP/IXC available on 00- matches the signage on the set. Restrictions on incoming collect calls are to be tested by attempting to place a collect call to the payphone number and not by simply dialing the payphone number as the previous draft indicated. These changes were reviewed with the CPA prior to adoption.
- Inclusion of the San Diego Payphone Association at its request in the list of participants supporting the Pacific Bell proposal. Since there is no longer a "majority" or a "minority" report, indicating the preference of a long-term participant does not change the characterization of either proposal in the report and gives a fuller display of the views of the participants.

The final report will now be submitted to Bob Weissman of the CACD with the attached cover letter. It is my understanding that this report will then be submitted by CACD to the Commissioners for their review. As previously discussed, finalization of the report and its submission to CACD does NOT create the obligation for any participant to adopt the procedures outlined in the proposals. The report does, however, have an important role in informing the Commission of the issues involved in toll fraud reduction and does provide the Commission two platform proposals that can serve as the basis for further investigation by the Commission should it choose to take action on intrastate fraud issues in California. Both proposals also represent valuable input to the national discussion on toll fraud now taking place before the FCC and in various legislative bodies across the country. The proposals will continue to be examined and tested in the California Toll Fraud Task Force so that practical experience with toll fraud investigation can refine our understanding of effective toll fraud prevention and the appropriate assignment of liability.

To all who contributed to this fine effort, I extend my deep appreciation and look forward to working with many of you in the California Toll Fraud Task Force. If you have any questions regarding the final report, please call me on (415)442-3378.



E. M. Graczyk  
Chairperson/10XXX Unblocking Subcommittee

attachments



795 Folsom Street  
San Francisco, California 94107  
(415) 442-2600

December 15, 1992

Mr. Robert Weissman  
Commission Advisory and Compliance Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Dear Mr. Weissman:

Attached for your review is the final report of the 10XXX Unblocking Subcommittee. The report represents the results of more than a year's collective effort to fulfill the commitment made in Article V(B)1.d of the COPT Settlement Agreement, adopted by the Commission in D.90-06-018:

**1. Provide end users with free access to the following:**

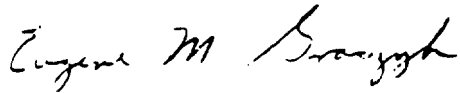
- d. 10XXX dialing. (This requirement shall be implemented only where FG-D service is available and after a procedure is implemented to address the fraud problem associated with use of this dialing pattern for domestic calling over pay phones. The parties commit to finding and implementing such a solution as soon as reasonably possible, and agree to participate in workshops to reach a solution in conjunction with industry efforts.**

As explained in the report, participants were not able to reach a consensus. The Subcommittee has prepared two proposals which present different approaches for establishment of responsibilities among the various entities involved in calls placed from public pay phones and assignment of liability for toll fraud. The primary difference between the two proposals lies in separate views of the appropriate responsibilities for Local Exchange Carriers and Operator Service Providers. The Subcommittee was able to reach a broad consensus on timelines for fraud reporting and investigation and the responsibilities of the pay phone owner.

The Subcommittee respectfully submits the attached report in the hope that it may serve to inform the Commission of the primary issues involved in toll fraud prevention and liability

assignment. Please contact me at (415)442-3378 if you have any questions regarding the report or require additional information before presentation to the Commission.

Yours truly,

A handwritten signature in cursive script, reading "Eugene M. Graczyk".

E. M. Graczyk/AT&T  
Chairperson - 10XXX Unblocking Subcommittee

attachment

## **REPORT OF THE 10XXX UNBLOCKING SUBCOMMITTEE**

### **BACKGROUND:**

A requirement for the unblocking of 10XXX 0+ access from COPT (Customer-Owned Pay Telephone) pay phones was established in the COPT Settlement Agreement, approved by the California Public Utilities Commission in Decision 90-06-018. Article V, Section B, 1(d) of the Agreement requires COPT pay phones to provide end users with free access to 10XXX dialing under the following terms and schedule:

**d. 10XXX dialing.** (This requirement shall be implemented only where FG-D service is available and after a procedure is implemented to address the fraud problem associated with use of this dialing pattern for domestic calling over pay phones. The parties commit to finding and implementing such a solution as soon as reasonably possible, and agree to participate in workshops to reach a solution in conjunction with industry efforts. Notwithstanding anything to the contrary herein, COPT providers shall be required to implement free access to 10XXX calling where FG-D service is available not later than 12 months following the effective date of the Commission decision approving this Settlement Agreement, unless a waiver is first obtained from the Commission and, if necessary, the FCC.

Since the Commission decision approving the Settlement agreement was effective June 6, 1990, the deadline for implementing free access to 10XXX calling was established for June 6, 1991. On May 28, 1991, the California Pay phone Association (CPA) requested a delay to comply with the free 10XXX access requirement until the Federal Communications Commission (FCC) implemented 10XXX interstate access or until the workshop process ordered by D.90-06-018 resolved the 10XXX fraud problem, whichever occurred first. An extension was granted until October 1, 1991 under Rule 43 of the Commission's Rules of Practice and Procedure in a letter dated May 31, 1991 from Executive Director Shulman to Martin Mattes, counsel for CPA. No further delay has been granted by the California Public Utilities Commission.

### **10XXX UNBLOCKING SUBCOMMITTEE:**

To address the concerns expressed by CPA regarding 10XXX fraud problems, the existing Commission-mandated COPT workshop established a 10XXX Unblocking Subcommittee. Chaired by AT&T, the Subcommittee included representatives from Pacific Bell, GTE of California, Inc. (GTEC), Continental Telephone of California (Contel), MCI, Sprint, the California Payphone Association, the San Diego Payphone Association, ComSystems, Intellicall and the Division of Ratepayer Advocates. AT&T submitted an initial draft of an intrastate toll fraud prevention and liability plan based in part on provisions ordered by the Texas Public Utilities Commission in its investigation of the COPT market. The original draft outlined specific responsibilities for the COPT provider, the Local Exchange



Carrier (LEC) and the Operator Services Provider (OSP). A failure to comply with the defined responsibilities would result in assumption of liability for ensuing toll fraud. This was described as the "gatekeeper philosophy" and set a basic rule of thumb that assigned liability to whichever entity involved in a given call had "left the gate open". This approach remained consistent throughout all the subsequent versions of the proposed plan

A separate forum, the California Toll Fraud Task Force, was established to bring together representation from the COPT, LEC and OSP industries who committed to a prompt mutual investigation of 10XXX-related fraud. The Task Force was charged with providing the Subcommittee with concrete information regarding 10XXX fraud experienced by those COPT providers who had opened up 10XXX0+ access. AT&T accepted responsibility for facilitating the Task Force as well.

### **MAJOR ISSUES:**

Workshops were held through September 9, 1992. Significant issues addressed during workshop negotiations include the following items:

- Responsibilities of the COPT provider in ordering and testing screening and blocking services, including a recommended testing procedure.
- Time frames for prompt identification and investigation of disputed billing.
- Definition of preventative services to be ordered by the COPT from the Local Exchange Carrier.
- Requirement for OSPs in responding to screening codes delivered by the LECs.
- Terms for assignment of liability for disputed billing appearing on COPT bills.
- The development by the LEC and appropriate use by an OSP of a list of COPT lines in the LEC service area.
- The establishment of a permanent forum to encourage cooperation among COPTs, LECs, and OSPs in identifying and resolving COPT toll fraud issues.

### **AREAS OF AGREEMENT:**

These issues were discussed in a context that often expanded beyond 10XXX issues and succeeded in developing a broad consensus on several key points. Briefly, agreement was reached on the responsibilities of the COPT provider for ordering specific fraud preventative services and testing to ensure their availability at installation, after a move, or when fraud had occurred from a particular set. There was also a broad consensus on specific time frames for identifying disputed billing and investigation by both the LEC and the OSP involved. Forbearance from disconnect of the COPT line during the period of investigation (45 days from notice to the LEC) and from late payment charges was also deemed reasonable by Subcommittee members.

Agreement was also reached that LECs should, in conjunction with COPT service, offer both outgoing call screening<sup>1</sup> and billed number screening<sup>2</sup> to COPTs. If the COPT had ordered and tested the required preventative services and appropriately secured the set, the LEC would be empowered under the proposed Agreement to remove the disputed billing from the COPT bill for recourse to the OSP. If the LEC failed to implement the COPT provider's order for preventative services, the LEC would assume liability for the ensuing fraud.<sup>3</sup>

The Subcommittee agreed that the OSP was responsible for responding to the identification digits transmitted by the LEC and validating each intrastate call against a billing validation data base to prevent the receipt of collect, third party or invalid calling card calls. There was also a consensus that an OSP who transferred calls to another OSP should be required to identify the line as one with billing restrictions at the time of transfer. This would apply to internal transfers within a given OSP operation as well. OSPs would also be required to mechanically preclude placement of calls by operators contrary to applicable screening restrictions.

Application of the agreed-upon principles was limited to intrastate calls due to the Subcommittee's formation and operation as an outgrowth of a CPUC-mandated COPT workshop. Participants generally shared the hope that the agreed-upon principles would eventually be applied to interstate and international calls as well after consideration in the appropriate forums. Likewise, the agreed-upon principles for assigning responsibility for improperly billed calls were designed for situations where billing is done by the LEC on behalf of an OSP; however, the parties recognized that the same general principles should also apply to circumstances where an OSP does its own billing.

### **OPEN ISSUES:**

Despite significant areas of agreement, the Subcommittee was unable to reach full consensus because of an impasse regarding two related issues. Pacific Bell contended that OSPs should be required to adopt the procedures currently utilized by AT&T, which is to

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<sup>1</sup>Outgoing or originating line screening provides call screening information to the operator to prevent operator sent-paid calls from being billed to the line. This service is implemented by sending two information digits (generally known as II digits) with the Automatic Number Identification (ANI) of the originating line. These digits are transmitted to all carriers with the ANI. Additional information in the form of identification of the type of line, i.e., hotel, private pay telephone, etc.. May be provided to carriers for use in databases. In its Order on Reconsideration in Docket 91-35, dated July 10, 1992, the FCC ordered LECs to make this service available, where technically feasible, by January 10, 1993.

<sup>2</sup>Billed Number Screening provides automatic blocking of third number billing, collect billing or both. It is implemented via external data bases that may be queried by carriers as appropriate. The feature is established for a particular billing number via service order. The FCC has also ordered the LECs to make this service available where technically feasible by January 10, 1993.

<sup>3</sup>Pacific Bell's position is that this agreement, if enacted, only apportions liability for fraud, and does not create an independent obligation to provide any particular service.

screen all calls destined for the OSP's operator stations whether or not the LEC transmitted identification digits requiring a billing restriction. To do this, the OSP would be required to acquire a list of restricted lines from the LEC (offered by the LECs, at nominal cost), build a database that could be accessed by the OSP and apply a secondary screen code that would identify the line as restricted. The LEC would be required to provide the initial list of restricted lines and provide all updates on a timely basis. Pacific Bell noted that AT&T had already secured agreement from Pacific Bell and GTEC for the development of the list and updates. Since the list would be readily available, OSPs who failed to identify a line as restricted and permitted billing back to the line would be responsible for removing the associated charges from the COPT bill. If the line had been included in the list or if the identification digits had been transmitted, the OSP would be liable on the disputed calls. LEC liability would be limited to timely installation of the screening and inclusion of the line on the list provided to OSPs.

AT&T, MCI, Sprint, and Com Systems held that the list was a desirable service but that it should not be made a benchmark requirement since some OSP's may not be able to establish the necessary database for technical or cost reasons and would remain dependent upon the delivery of the identification digits by the LEC. Requiring the use of the list and establishment of a database could, in effect, create a new barrier to entry for small OSPs in California. If delivered and responded to appropriately, the information digits provided sufficient protection against unwarranted billing.

AT&T suggested a compromise position which would make the list optional but would assign liability for charges billed in violation of billing restriction based on the list if it were ordered and implemented by the OSP. The compromise was rejected by Pacific Bell on the grounds that the list was administratively easier to use in toll fraud investigation and made clear that the screening function better was an OSP responsibility. Pacific Bell contended that OSPs should be required to use the list as a necessary protection against fraud and that the list could not be made optional without increasing the risk of fraud.

Concerns were also raised by the OSPs that making the list the major benchmark for fraud assignment would disincite the LECs from the timely provisioning of screening services and delivery of the information digits. Pacific Bell reaffirmed its intention to continue provisioning of the information digits, but objected to the assignment of liability on the basis of delivery or non delivery where the list was available to the OSP to prevent fraud.

When it became apparent that compromise was not to be effected, two versions of the proposed Agreement were drawn up (Attachments 1 and 2) and put to the Subcommittee for a vote on September 9, 1992. It was agreed that both versions would be included in the Subcommittee's report and that a majority vote for either version would not obligate any Subcommittee member to implement the majority agreement. The final vote indicated that AT&T, MCI, Sprint, Com Systems, CPA, and Contel supported the exclusion of the list from the Agreement as a benchmark for LEC liability (Attachment 1). Pacific Bell, GTEC and CPA voted for the version requiring the adoption of the list as an OSP

requirement and its use to determine LEC liability (Attachment 2). CPA voted for both versions as an indication of neutrality on this issue but voiced reservations regarding the possible interpretations of conditions "reasonably" under the control of the COPT provider in determining fraud liability under Pacific Bell's proposal. The San Diego Payphone Association, although not present at the final vote, later indicated its support of Pacific Bell's proposal as well. Pacific Bell and Intellicall subsequently provided position statements regarding the two proposals which are included in this report as Attachment 3.

#### **CALIFORNIA TOLL FRAUD TASK FORCE:**

The Subcommittee recognized the importance of continued cooperation in toll fraud prevention and investigation by establishing the California Toll Fraud Task Force as a permanent industry forum separate from the Subcommittee. Members voted to continue representation on the Task Force and agreed to use the two versions of the Toll Fraud Prevention and Liability Agreement as experimental guidelines for the work of the Task Force. The practical application of the work of the Task Force to the guidelines established in the two proposed Agreements may help prepare the ground for resolution of the current impasse in the future.

## **ATTACHMENT 1**

### **RECOMMENDATION SUPPORTED BY:**

**AT&T  
MCI  
SPRINT  
COM SYSTEMS  
CPA  
CONTEL**

**AGREEMENT ON ASSIGNMENT OF RESPONSIBILITIES  
FOR FRAUD PROTECTION IN CONNECTION WITH OPERATOR HANDLED  
CALLS FROM PRIVATE PAY TELEPHONES**

**PROPOSED BY: AT&T, MCI, SPRINT, COM SYSTEMS, CONTEL AND  
CALIFORNIA PAYPHONE ASSOCIATION**

**A. Definitions.**

- 1). "Private Pay Telephone Provider" refers to an owner or operator of pay telephones which are connected to the Local Exchange Carrier's telecommunications network by an exchange access service offered for such pay telephone connections pursuant to an authorized tariff of a Local Exchange Carrier not affiliated with the private pay telephone provider.
- 2). "Local Exchange Carrier" or "LEC" refers to a state-certificated provider of local exchange telecommunications service which offers exchange access services for pay telephones.
- 3). "Operator Services Provider" or "OSP" refers to the provider of any intrastate telecommunications service initiated from a pay telephone location that includes, as a component, any automatic or live assistance to a consumer for billing or completion or both of an intrastate telephone call through a method other than (A) automatic completion with billing to the telephone from which the call originated or (B) completion through an access code used by the consumer with billing to an account previously established with the carrier by the consumer.
- 4). It is possible for an entity to be both private pay telephone provider and operator services provider with respect to the same call placed by a consumer in which case the obligations of both apply.

**B. A private pay telephone provider shall not be responsible for payment, and shall not be subject to disconnection of local exchange service for non-payment, of OSP**

charges for calls originated by the end user as operator handled calls over a private pay telephone line in violation of the call screening restrictions for that line, whether the call is billed as operator handled or direct-dialed nor for third party or collect calls billed to that line, if the private pay telephone provider has demonstrated compliance with all of the requirements set forth in Section C, below. Nor shall a private pay telephone provider be subject to disconnection of local exchange service for non-payment of such OSP charges for a period of at least 45 days from the receipt by the LEC of the written notice provided for in Section C.4 below regarding the bill on which the disputed charges appear if the private pay telephone provider is actively seeking to demonstrate such compliance with the requirements of Section C; provided, however, that if the LEC or the OSP has not completed its investigation within seven days before the end of the 45 day investigation period, then such period shall be extended until seven days after the private pay telephone provider has received written notification from the LEC or the OSP or both as to the completion of their investigation. No late payment charges shall be imposed with respect to the period of such investigation. Section B does not apply if the subject calls were permitted due to equipment malfunction, improper set programming, fraud at the set, failure to block unauthorized 10XXX1+ and 10XXX011+ calls either at the set or by a service ordered from the LEC, if such LEC service is available, or causes reasonably within the control of the private pay telephone provider.

C. For each private pay telephone line for which a private pay telephone provider alleges that operator handled calls were completed in violation of that line's outgoing call screening restrictions or billed number screening, the private pay telephone provider must demonstrate to the local exchange carrier that:

1. outgoing call screening and billed number screening restrictions were ordered from the LEC for that telephone line (to the extent such screening was available and was not provided on a bundled basis with the line) before the disputed charges were incurred;

2. outgoing call screening and billed number screening restrictions for that telephone line were not changed, canceled, or otherwise removed due to non-payment, late payment or any other action or inaction by the private pay telephone provider;

3. the private pay telephone provider made test calls, as specified in Attachment A hereto, within 5 days after installation of the currently installed pay telephone and within four months prior to the dates of the subject calls verifying that the ordered or automatically provided outgoing call screening restrictions and billed number screening (including any changes to those orders) for that telephone line were implemented correctly; provided, however, that telephones which have experienced fraud due to screening problems for which the private pay telephone provider has requested investigation by the LEC shall be checked with every collection visit and not less frequently than monthly during the 90 day period following the request for investigation. Coinless sets that may not require collection visits shall not be checked less than once every three weeks.

4. the private pay telephone provider furnished written notice to the LEC in a format and to an address specified by the LEC and all OSPs known to have been involved in the completion or billing of the subject calls that operator handled calls were being completed in violation of any outgoing call screening restrictions; with respect to charges that appear on the bill as relating to direct-dialed international calls, to services by an OSP other than the interexchange carrier to which the pay telephone has been presubscribed, or to operator-assisted calls, such notice must be provided no later than 20 days after the bill date which appears on the LEC bill; with respect to charges for domestic calls billed by the presubscribed carrier as direct dialed calls, such notice must be provided no later than 45 days after such bill date;

5. the private pay telephone provider complied with any reasonable requests (possibly extending even to restriction to local calling or temporary disconnect in extreme



cases) made by the LEC or a relevant OSP to prevent the completion of any additional calls in violation of a telephone line's outgoing call screening restrictions.

6. 10XXX1+ and 10XXX011+ calls are blocked or rated from the private pay telephone provider's set or by a service ordered from the LEC, if available.

D. The LEC which provided outgoing call screening and billed number screening to the private pay telephone provider shall be responsible for::

1. Taking and implementing private pay telephone provider orders for outgoing call screening and billed number screening (to the extent such screening was available and was not provided on a bundled basis with the line) in a timely and accurate manner;

2. transmitting identification digit(s) consistent with the private pay telephone provider's order to the first appropriate non-LEC OSP or carrier for each operator handled call;

3. investigating claims by private pay telephone providers that operator handled calls are being completed from their pay telephones in violation of outgoing call screening restrictions despite their compliance with all the requirements of Sections B and C, above, with such investigation to include, in the local exchange carrier's reasonable discretion, examination of Automated Message Accounting (AMA) records of the subject calls; and

4. informing the private pay telephone provider and relevant OSPs whether the LEC concludes from its investigation that the private pay phone provider's handling of operator handled calls meets all the requirements described in Sections B AND C, above, and that the violation occurs from other sources; and, upon such a conclusion, removing intrastate OSP charges for operator handled calls that meet all of the requirements described in Sections B AND C, above, from the private pay telephone provider's bill if the call(s) appear on the LEC bill. If investigation demonstrates that the OSP failed to meet the requirements for call handling set forth in Section D, below, the charges removed from the private pay telephone provider's bill shall be the responsibility of which ever OSP

allowed the call to be completed. In such instances, the LEC's responsibility shall be to recourse the charges directly to the billing OSP for resolution. Notwithstanding any other agreement, the billing OSP shall authorize such recourse. If investigation demonstrates that the LEC failed to implement screening in response to private pay telephone provider orders for screening or for services incorporating screening in a timely and accurate manner or failed to transmit identification digits, the charges removed from the private pay phone provider's bill will be recoured to the LEC which failed to apply or recognize the appropriate screening.

E. The OSP shall be capable of and responsible for

1. responding appropriately to the identification digit(s) transmitted to the OSP at the time an operator handled call is transmitted to the OSP for completion. In addition, the OSP must validate each intrastate call against a billing validation database to ensure the called number is one that is not screened to prevent the receipt of collect calls and/or third number calls and to ensure the validity of calling cards as appropriate.

2. Promptly investigating claims by private pay telephone providers that operator handled calls are being completed from their pay telephones in violation of outgoing call screening restrictions despite their compliance with all the requirements of sections B and C, above. Upon the request of the LEC or the private pay telephone provider and at the reasonable discretion of the OSP, such investigation may include examination of the OSP's Automated Message Accounting (AMA) records of the subject calls.

3. Notifying both the local exchange carrier and the private pay telephone provider of the result of the investigation of the subject calls.

The OSP shall be responsible for any intrastate charges for operator handled calls removed from the private pay telephone provider's bill pursuant to Sections B, C and D.4, above, and shall not pursue or direct any billing agent to pursue collection of such charges

from the private pay telephone provider, if the investigation demonstrates that the OSP was not in compliance with its obligations in this agreement or, in the absence of other explanations, that the subject calls were billed because:

a) the OSP's equipment and/or procedures do not enable it to receive and respond appropriately to the identification digit(s) transmitted by the LEC for all operator handled dialing patterns and for all such calls from pay phones, including the passing on of the identification digit(s) to any operator station(s) involved in processing the call, whether the stations are internal to the OSP or those of another OSP, or otherwise advising the other OSP of restrictions on the line originating the call.

b) that the OSP's equipment does not mechanically preclude its live operators from placing calls contrary to applicable screening restrictions;

c) that the equipment used by the OSP to respond to the identification digit(s) was experiencing technical problems at the time the disputed calls were completed, or

d) that the OSP's billing validation system failed to validate the calls in question.  
The OSP shall not rebill fraudulent credit card calls to the private pay telephone provider.

F. In the event that the LEC sustains the OSP's charges to the private pay telephone provider, the private pay telephone provider may seek review of such determination by filing an informal or formal complaint with the California Public Utilities Commission, in accordance with Commission rules applicable to such proceedings, including any deposits required, and shall not be subject to disconnection of local exchange service for non-payment of the subject charges for so long as such complaint remains outstanding.

G. Subject to reasonable notice having been provided and reasonable arrangements having been made with the private pay telephone provider, the OSPs and the LEC shall have the right to physically inspect any private pay telephone from which the subject calls

are being placed. The private pay telephone provider shall pay reasonable costs of inspection if such inspection reveals the problem to be in the telephone.

H. All affected parties agree to cooperate fully in solving and assigning responsibilities for instances of fraud which are covered by this Agreement.

## ATTACHMENT A

### TEST CALLS/PROCEDURES FOR PAYPHONE COMPLIANCE

Ensure that interface is not easily accessible to customer.

#### OUTGOING TEST CALLS FROM THE PAYPHONE

Dial 0-	Request the operator to identify if the line has Code 88 call screening.
Dial 00-	Verify OSP/IXC matches signage.
Dial 0+7	Verify LEC bong. Request 3rd party billing using Payphone Number. Verify call cannot be completed.
Dial 0+10	Verify LEC or OSP bong. Request 3rd party billing using Payphone Number. Verify call cannot be completed.
Dial 10XXX0-	Verify OSP/IXC.
Dial 10XXX0+7	Verify OSP/IXC recording.
Dial 10XXX0+10	Verify OSP/IXC bong.
Dial 10XXX1-	Verify call cannot be completed as dialed.
Dial 10XXX1+7	Verify call cannot be completed as dialed.
Dial 10XXX1+10	Verify call cannot be completed as dialed.
Dial 10XXX011-	Verify call cannot be completed as dialed.
Dial 10XXX011+	Verify call cannot be completed as dialed.
Dial 950XXXX	Verify call is processed as a free call.
Dial 800-XXX-XXXX	Verify call is processed as a free call.
Dial 411	Verify call is processed as a free call.
Dial 611	Verify call is processed as a free call.
Dial 911	Verify call is processed as a free call.
Dial 976-XXXX	Verify call cannot be completed as dialed.
Dial 1-976-XXXX	Verify call cannot be completed as dialed.
Dial 811-XXXX	Verify call is priced at local rate.

#### INCOMING TEST CALLS TO THE PAYPHONE

Place collect call to Payphone Number. Verify collect call will not be processed.

## **ATTACHMENT 2**

### **RECOMMENDATION SUPPORTED BY:**

**PACIFIC BELL  
GTE-CALIFORNIA  
CPA  
SAN DIEGO PAYPHONE ASSOC.**

### **NOTE:**

**Language that differs from Attachment 1  
is shown in BOLD Print**

**AGREEMENT ON ASSIGNMENT OF RESPONSIBILITIES  
FOR FRAUD PROTECTION IN CONNECTION WITH OPERATOR HANDLED  
CALLS FROM PRIVATE PAY TELEPHONES**

**PROPOSED BY: PACIFIC BELL, GTE CALIFORNIA, AND CALIFORNIA  
PAYPHONE ASSOCIATION**

**A. Definitions.**

- 1). "Private Pay Telephone Provider" refers to an owner or operator of pay telephones which are connected to the Local Exchange Carrier's telecommunications network by an exchange access service offered for such pay telephone connections pursuant to an authorized tariff of a Local Exchange Carrier not affiliated with the private pay telephone provider.
- 2). "Local Exchange Carrier" or "LEC" refers to a state-certificated provider of local exchange telecommunications service which offers exchange access services for pay telephones.
- 3). "Operator Services Provider" or "OSP" refers to the provider of any intrastate telecommunications service initiated from a pay telephone location that includes, as a component, any automatic or live assistance to a consumer for billing or completion or both of an intrastate telephone call through a method other than (A) automatic completion with billing to the telephone from which the call originated or (B) completion through an access code used by the consumer with billing to an account previously established with the carrier by the consumer.
- 4). It is possible for an entity to be both private pay telephone provider and operator services provider with respect to the same call placed by a consumer in which case the obligations of both apply.

**B. A private pay telephone provider shall not be responsible for payment, and shall not be subject to disconnection of local exchange service for non-payment, of OSP charges for calls originated by the end user as operator handled calls over a private pay telephone line in violation of the call screening restrictions for that line, whether the call is billed as operator handled or direct-dialed nor for third party or collect calls billed to that line, if the private pay telephone provider has demonstrated compliance with all of the requirements set forth in Section C, below. Nor shall a private pay telephone provider be subject to disconnection of local exchange service for non-payment of such OSP charges for a period of at least 45 days from the receipt by the LEC of the written notice provided for in Section C.4 below regarding the bill on which the disputed charges appear if the private pay telephone provider is actively seeking to demonstrate such compliance with the requirements of Section C; provided, however, that if the LEC or the OSP has not completed its investigation within seven days before the end of the 45 day investigation period, then such period shall be extended until seven days after the private pay telephone provider has received written notification from the LEC or the OSP or both as to the completion of their investigation. No late payment charges shall be imposed with respect to the period of such investigation. This Section B does not apply if the subject calls were permitted due to equipment malfunction, improper set programming, fraud at the set, failure to block unauthorized 10XXX1+ and 10XXX011+ calls either at the set or by a service ordered from the LEC, if such LEC service is available, or causes within the control of the private pay telephone provider.**

**C. For each private pay telephone line for which a private pay telephone provider alleges that operator handled calls were completed in violation of that line's outgoing call screening restrictions, the private pay telephone provider must demonstrate to the local exchange carrier that:**



1. outgoing call screening and billed number screening restrictions were ordered from the LEC for that telephone line (to the extent such screening was available and was not provided on a bundled basis with the line) before the disputed charges were incurred;

2. outgoing call screening and billed number screening restrictions for that telephone line were not changed, canceled, or otherwise removed due to non-payment, late payment or any other action or inaction by the private pay telephone provider;

3. the private pay telephone provider made test calls, as specified in Attachment A hereto, within 5 days after installation of the currently installed pay telephone and within four months prior to the dates of the subject calls verifying that the ordered or automatically provided outgoing call screening restrictions and billed number screening (including any changes to those orders) for that telephone line were implemented correctly; provided, however, that telephones which have experienced fraud due to screening problems for which the private pay telephone provider has requested investigation by the LEC shall be checked with every collection visit and not less frequently than monthly during the 90 day period following the request for investigation. Coinless sets that may not require collection visits shall not be checked less than once every three weeks.

4. the private pay telephone provider furnished written notice to the LEC in a format and to an address specified by the LEC and all OSPs known to have been involved in the completion or billing of the subject calls that operator handled calls were being completed in violation of any outgoing call screening restrictions; with respect to charges that appear on the bill as relating to direct-dialed international calls, to services by an OSP other than the interexchange carrier to which the pay telephone has been presubscribed, or to operator-assisted calls, such notice must be provided no later than 20 days after the bill date which appears on the LEC bill; with respect to charges for domestic calls billed by the presubscribed carrier as direct dialed calls, such notice must be provided no later than 45 days after such bill date;